



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

August 8, 2008

Keith Oldenkamp
General Manager
The Kroger Co. (Kroger)
2201 S. Wilmington Avenue
Compton, CA 90220

Dear Mr. Oldenkamp:

RE: FINAL MONITORING VISIT REPORT for Kroger – ET07-0109

Date of the Visit:	08/07/08
Beginning/Ending Time:	10:00 a.m. – 12:00 p.m.
Date of Last Visit:	01/07/08
Visit Location:	Compton
Persons in attendance:	Nanette Salazar, Kroger Mark Reeves, ETP Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	07/05/06 – 07/04/08	Agreement Amount:	\$232,375
Training Start Date:	07/17/006	No. to Retain:	275
Date Training must be Completed:	04/05/08	Range of Hours:	24 - 200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	65

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1100 J Street, 4th Floor
SACRAMENTO, CA 95814
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE
4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

FINAL REPORT SUMMARY:

• HISTORY OF AGREEMENT

Training began on July 17, 2006 and Ms. Salazar reported that all training for this Agreement was completed by April 5, 2008, to allow for the 90-day retention period prior to the contract term end date of July 4, 2008.

• INTERVIEW WITH THE CONTRACT REPRESENTATIVE

Based on your company's lower than expected completion rate, Mr. Reeves inquired regarding the barriers that precluded Kroger from performing better on this Agreement. Ms. Salazar reported that Kroger showed low performance during the first half of the contract term due to organizational changes, specifically changes in personnel at the training coordination level. She indicated that the administration of this Agreement changed hands a number of times prior to her arrival in the summer of 2007. Ms. Salazar stated that although Kroger was able to deliver vital training classes during the latter stages of this Agreement, the company still lost approximately 12 months of training time due to staffing changes and scheduling difficulties.

Despite the lower than expected completion rate, Ms. Salazar stated that your company did benefit from the training provided during the contract term. In particular, she reported that the Manufacturing Skills and Computer Skills training helped the company implement a changeover in manufacturing equipment and processes. She added that successful elements of your training project have expanded into other areas of Kroger's overall training initiatives.

Ms. Salazar reported that Kroger did not experience any notable record keeping problems during the administration of this Agreement and no specific changes were suggested to improve the process. However, she did indicate that she would like to see ETP become more lenient towards the use of out-of-state training vendors.

Breakdown and discussion of expected earnings:

During this meeting, Mr. Reeves and Ms. Salazar determined one enrolled trainee (K. Oldenkamp) to be a senior level manager who sets company policy and, therefore, not eligible for ETP reimbursement. Since the final invoice has already been submitted, Ms. Salazar alerted ETP's Fiscal Unit that payment received for this trainee should be adjusted during fiscal closeout.

According to your company's records at the time of this final meeting, Kroger expects to retain a total of 70 trainees. The ETP Class/Lab Tracking system shows that 70 trainees completed the minimum required 24 hours of training, for a cumulative total of 3,238 hours. At \$13 per hour, total reimbursement would be \$42,094 or approximately 18% of the Agreement total.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	212	Completed Training:	70
Dropped Following Enrollment:	*142	Completed Retention:	70
Completed Minimum Hours for reimbursement:	70	In Retention Period:	0

**Final drop pending fiscal closeout.*

ATTENDANCE ROSTERS:

Mr. Reeves reviewed daily attendance and multiple-date attendance rosters for 15 trainees. The review period covered July 28, 2006 through March 27, 2008. The training documented during this period included Manufacturing Skills, Computer Skills, and Continuous Improvement topics from the approved curriculum. Mr. Reeves found that ETP requirements were met and properly documented. The review confirmed that the 1:20 trainer to trainee ratio was maintained.

These findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. It is your responsibility to ensure that 100 percent of all training records are in compliance with Panel requirements prior to the closeout of this Agreement (Reference: Title 22, California Code of Regulations, Section 4442).

INVOICES:

During this meeting, Mr. Reeves validated training hours for trainees billed on placement Invoice Number 9.

AUDIT:

Kroger will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Mr. Reeves at (818) 755-3635 or by e-mail at sreeves@etp.ca.gov within ten (10) working days from the receipt of this report.

Sincerely,

Signature on file

Dolores Kendrick, Manager
North Hollywood Regional Office

Signature on file

S. Mark Reeves, Contract Analyst
North Hollywood Regional Office

cc: Nanette Salazar, Kroger (via e-mail)
David Guzman, Chief, Program Operations Division
Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File

Date report mailed to Contractor _____